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KKR Credit Income Fund Market Update

November 2020



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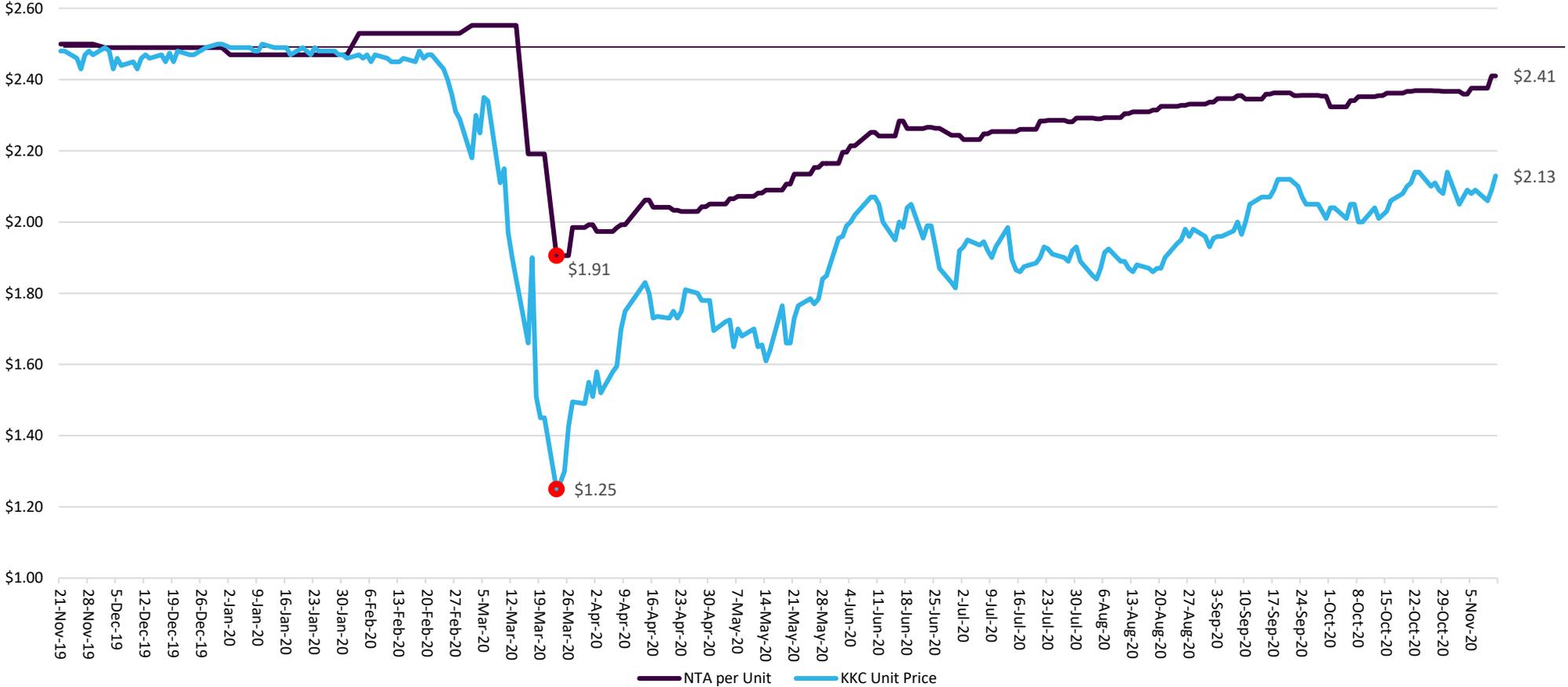
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Agenda

1. KKC Performance Update
2. Deep Dive into EDL Platform
3. EDL Portfolio Overview
4. Opportunities in 2020 for EDL

KKC Performance Update

KKC NTA Since Inception



The Discount to NTA Continues to Narrow



Source: KKR as at 11 November 2020

(1). Before making an investment decision in relation to KKC, it is important to understand the risks that can affect the value of your investment in KKC. Investors should consider the PDS in deciding whether to acquire or continue to hold units in KKC, including the risks described in Section 8 of the PDS. (2) Past performance is not indicative of future performance.

European Direct Lending Investment Philosophy

Seek to provide senior secured capital to established upper-middle market companies in stable industries

Focus on Upper-Middle Market Borrowers

- Asset Focus: 1st Lien senior secured, select 2nd Lien investments⁽¹⁾
- EBITDA: Above €25m and targeting between €50m - €100m (A\$83m- A166m)
- Enterprise Value: €250m - €1,500m (A\$405m- A\$2,400m)

Offer Customized Financing

- Tailored covenants
- Flexible terms
- Efficient underwriting and execution

Preserve Capital

- Focus on larger borrowers in core Western Europe
- Deep underwriting honed by KKR's DNA in Private Equity⁽²⁾
- Structural protections and portfolio diversification
- Significant financial restructuring and operational turnaround expertise

Create Value

- Long term partnership (not transaction-based) approach with borrowers
- Provide total capital market solutions that are relevant across cycles
- Draw upon significant corporate strategy and operational consulting resources from within KKR

Key Numbers on EDL Platform

European Direct Lending Investment Committee			
<p>Matthieu Boulanger Partner 3 years at KKR 21 years' experience (London) • <i>Highbridge (HPS)</i></p>	<p>Blaine MacDougald Partner 9 years at KKR 17 years' experience (London) • <i>D.E. Shaw</i></p>	<p>Eddie O'Neill Partner 18 years at KKR* 25 years' experience (Dublin) • <i>Allied Irish Banks</i></p>	<p>Daniel Pietrzak Partner 4 years at KKR 22 years' experience (New York) • <i>Deutsche Bank</i></p>

21
Investment Committee
Average Years Experience

~60
Investments made since
2012

27
European Private Credit
Team Members

~US\$5.7bn
Firepower to invest in EDL
deals¹

2012
First European Direct
Lending Deal

~US\$1.3bn
EDL Fund² Firepower

1. Includes amounts in KKR Funds, SMAs and BDCs
2. The full legal name of the fund that KKR invested into is "KKR Lending Partners Europe II (Euro) Unlevered SCSp". This is referred to as the EDL fund in this presentation

EDL Fund¹

- KKR's European Direct Lending ("EDL")¹ Fund has its final close on 18th September 2020
- The EDL fund has buying power of ~US\$1.3bn (A\$1.8bn)². KKC represents ~21% of this buying power. Other investors include KKR's balance sheet, pension funds, insurance companies and other KKR affiliated vehicles
- Each investor has a pro-rata share of all assets in the fund
- Fund deployment of ~34% is ahead of schedule

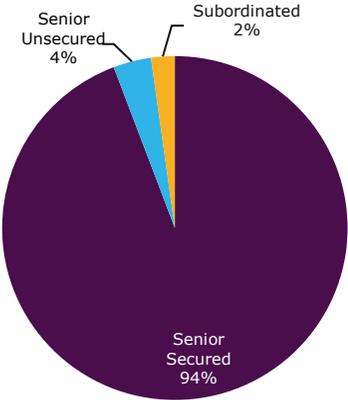
~US\$1.3bn
EDL Fund Firepower

17
Deals in the Fund²

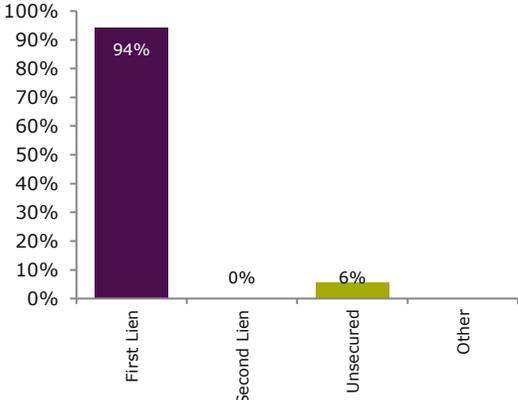
34%
Net Deployed

EDL Fund Portfolio Overview

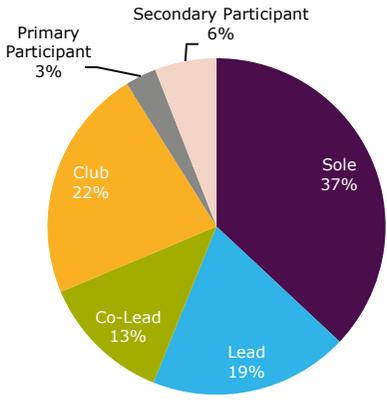
% Portfolio by Seniority



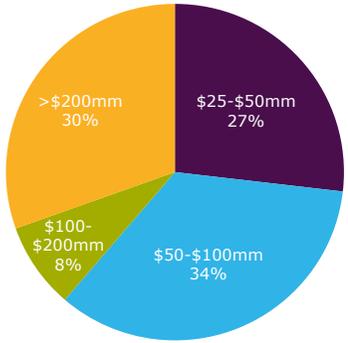
% Portfolio by Lien



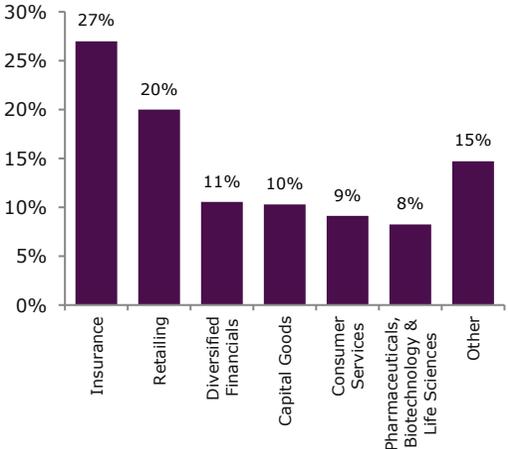
KKR Credit Origination Role



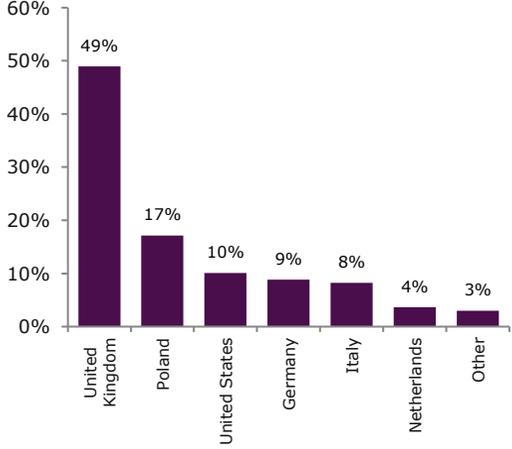
% Portfolio By Inception LTM EBITDA



% Portfolio by Industry



% Portfolio by Country



Figures above are stated in USD

Opportunities for EDL in 2020

Broadly Syndicated Loans

- During Q1/Q2 2020, the EDL fund invested ~8% of the portfolio into high quality broadly syndicated loans
- These assets had traded off steeply and the EDL fund was able to buy and sell these assets within a 4-6 week period making a 1.12x return over a short space of time

Privately Placed Add-Ons

- Several of EDL's current assets are in privately-placed add-ons which sit alongside the larger syndicated loans
- These add-ons were sought by borrowers for either opportunistic M&A “war-chests” or to provide additional working capital buffers
- The add-ons were priced at attractive economics with yields at 8-9% (higher than EDL's typical yields) for borrowers with an average EBITDA of ~€190m (~A\$315m)

Key Takeaways

- KKR has a large European Direct Lending Platform with an experienced and multi-lingual team
- KKR's focus on Direct Lending in Europe is the larger end of the middle market
- There are no names currently on the EDL Watchlist.
- The EDL fund has been able to take advantage of opportunities arising from Covid and KKR continues to seek out bespoke financing options for borrowers where KKR can be the Sole or Lead lender
- The Manager believes the inclusion of EDL into KKC is beneficial as a diversifier of issuer, sector and geography as well as providing a volatility dampener to KKC